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ZNY CCCCC ZZH ZDS

P 051246Z AUG 09

FM AMEMBASSY ASHGABAT

TO RUEHC/SECSTATE WASHDC PRIORITY 3249

INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE

RUCNCIS/CIS COLLECTIVE

RUCNMEM/EU MEMBER STATES COLLECTIVE

RUEHAK/AMEMBASSY ANKARA 5505

RUEHBJ/AMEMBASSY BEIJING 3227

RUEHKO/AMEMBASSY TOKYO 3092

RUEHIT/AMCONSUL ISTANBUL 3748

RHMCSUU/CDR USCENTCOM MACDILL AFB FL

RHMFIS/CDR USTRANSCOM SCOTT AFB IL

RUEAIIA/CIA WASHDC

RHEFDIA/DIA WASHDC

RUEKJCS/JOINT STAFF WASHDC

RHEHNSC/NSC WASHDC

RUEKJCS/SECDEF WASHDC

C O N F I D E N T I A L SECTION 01 OF 06 ASHGABAT 000992

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STATE FOR SCA/CEN

E.O. 12958: DECL: 08/05/2019

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SUBJECT: TURKMENISTAN: SCENESETTER FOR THE VISIT OF CENTCOM  
COMMANDER GENERAL DAVID PETRAEUS

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Classified By: Charge Richard Miles for reasos 1.4 (b) and (d).

11. (SBU) SUMMARY: Embassy Ashgabat warmly welcomes your visit to Turkmenistan as an important opportunity to advance our bilateral dialogue in the area of military cooperation. Your second visit to Turkmenistan follows the visits of Assistant Secretary Boucher in April, Special Envoy Morningstar in May, and Under Secretary Burns in July, as well as Foreign Minister Meredov's June meeting with Secretary Clinton in Washington. Now in the third year of Berdimuhamedov's presidency, Turkmenistan will continue to gradually bring its standards -- including educational reforms and human rights norms -- more in line with international ones. Instead of the widespread, rapid reform that was hoped for after his rise to power, we have seen positive change occurring at a measured, cautious pace. Turkmenistan continues to show no interest in supporting expanded U.S. or NATO ground transportation agreements in support of operations in Afghanistan. Like many ex-Soviet governments, Turkmenistan relies heavily on top-down decision making. The longer-term monumental task will be to change a century of national political psychology, the entrenched bureaucracy, and the culture of rent-seeking. END SUMMARY.

SUPPORT FOR OEF

12. (SBU) Support to OEF continues as Turkmenistan remains an important conduit for the U.S. military to Afghanistan. Although basing is not an option, maintaining blanket overflight permission and the military refueling operation at Ashgabat Airport remain key U.S. goals. We have repeatedly asked, so far without success, for an increase of the number of overflights and permission for nonlethal supplies to transit Turkmenistan overland. Turkmenistan allows the United States a generous overflight agreement (relative to other countries), which was renewed on November 25, 2008. The Turkmenistan blanket clearance number 999C was first granted to U.S. military aircraft in 2003. It has never provided unlimited permission to operate within Turkmen

airspace and for this reason is sometimes described as a restricted blanket clearance. The blanket permission is authorized solely for delivery of humanitarian assistance and to help stabilize and rebuild the nation of Afghanistan. Aircraft must follow strict flight profiles and can utilize only select call signs. Aircraft are required to file a DoD international flight plan prior to entering Turkmenistan airspace and cannot deviate from that flight plan while in Turkmenistan. Blanket permission is limited to registered U.S. military aircraft. Civil reserve air fleet and DoD contract carriers are not eligible for the automatic clearance. In addition to overflight permission, the Turkmen government allows the U.S. to operate a small gas and go operation at Ashgabat Airport to refuel U.S. aircraft.

13. (C) In spite of these limitations, the Turkmenistan blanket number 999C is considered vital to maintaining an effective western air bridge to U.S. forces in Afghanistan. Maintenance of this clearance has been problematic at best during 2009. Turkmenistan presented a bill in January for the use of its airspace for 2007 and 2008, primarily for USAF aircraft other than C-17s or other heavy-lift aircraft. The non-payment of this bill, coupled with nearly reaching the limit of 1600 overflights, led to the suspension of overflight by USAF aircraft using the blanket number. In May, the still unpaid bill led to numerous airspace denials by the Turkmen to include USAF VIP transport aircraft, civil reserve air fleets, and DoD contracted aircraft. Some relief was felt at the end of May when a Turkmen air traffic control official provided a firm number, 422, of overflights remaining until the clearance is renegotiated in November. This official also agreed that USAF aircraft that land in Ashgabat do not/not count against the remaining overflights. A team from AFCENT visited Turkmenistan in June to explore technical ways the U.S. could assist Turkmenistan's National Civil Aviation Service to increase the number of U.S.

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overflights. The team's proposal is currently being staffed by DASD/Central Asia which is examining both equipment and payment options based on the survey. From 22 July until 4 August, the installation of a U.S.-funded fuel pumping station caused gas and go operations to be placed on temporary hold. The installation allows the gas and go operation to safely refuel USAF aircraft, which was a significant safety concern with the old fuel pumping station.

14. (SBU) The current position of the Turkmen government regarding transshipment of U.S. cargo to Afghanistan is that it will not agree to such an arrangement. Turkmenistan has several factors to consider if it were to change its position on the Northern Distribution Network (NDN). The first and primary is Turkmenistan's own stated neutrality, which prevents it from participating in military alliances or agreements. Also, a Turkmen desire to avoid possible negative Russian perceptions of military cooperation with the United States appears to affect their decision making. It is also likely that Turkmenistan, like other Central Asian States, is hedging its bets in regards to the final outcome of events in Afghanistan.

15. (C) Apart from the discussion of GLOC/NDN, a significant amount of the aviation fuel for U.S. forces in Afghanistan comes from refineries in Azerbaijan and Turkmenistan, and transits Turkmenistan on the way to Afghanistan. The Turkmen Government is almost assuredly aware of the fuel, but it is not discussed in deference to Turkmen desires to maintain some plausible deniability. It has also not been discussed in previous NDN/GLOC discussions to keep the Turkmen Government from rethinking the support it already tacitly provides.

SECURITY

16. (SBU) The U.S. security relationship with Turkmenistan

continues to unfold, with slow but consistent cooperation by maintaining an active military-to-military cooperation plan and a productive counter-narcotics program. CENTCOM Counter Narcotics has funded several mil-to-mil events as well as completed border-crossing checkpoints (BCCs) on the borders of Iran (Altyn Asyr) and Afghanistan (Imamnazar). A third BCC on the border of Uzbekistan (Farap) is nearing completion and will be the final BCC constructed by the Nevada National Guard through the State Partnership Program. CENTCOM intends to build another two BCCs as well as provide equipment and training to the State Counter Narcotics Service and State Border Service. U.S. security assistance programs focus on improving the communications capability of the Turkmenistan armed forces in the areas of emergency response and border security, English language ability, and inculcating western military norms and values in the Turkmen military. With the assistance of the Embassy's Export Control and related Border Security (EXBS) program, the Embassy works to strengthen Turkmenistan's border security and increase its ability to interdict smuggling of nuclear materials. The EXBS program has also provided support for operational upkeep of the former USCG Cutter Point Jackson, a U.S. Excess Defense Article donation to the State Border Service in 2001, which is one of the few operational vessels in the Turkmenistan maritime security forces. Turkmenistan has received FMF/IMET since 1997 and in FY09 received \$150K/\$300K.

17. (SBU) Just days after your visit in January, Colonel Yaylym Berdiyev replaced General of the Army, Agageldi Mammetgeldiyev, who was allowed to retire for health reasons. Colonel Berdiyev was previously the Chairman of the State Customs Service. General-Major Muhammetguly Atabayev continues to be the primary deputy and acting Chief of the General Staff, and is a medical doctor. Atabayev is the only general officer in the Ministry of Defense. The Ministry of Defense (MOD) and Ministry of Internal Affairs (MIA) are in the slow process of transferring emergency response-related

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responsibilities to a new organization, the State Service for Emergency Situations. The military completed a "major" battalion-level exercise on March 4th, which seemingly shifted the national priority to a counter-narcotics mission focused on the Afghan border. Military reforms are ongoing, but the extent, direction, and opportunities for international involvement -- including U.S. support -- remain ill-defined and limited. Colonel Islamov, whom you met as Chairman of the State Counter Narcotics Service, replaced General-Major Alovov as the SBS Chief. Lieutenant Colonel Aman Garayev was appointed as the Chairman of the State Counter Narcotics Service on 29 July.

#### COUNTER-NARCOTICS COOPERATION

18. (SBU) Turkmenistan has serious problems with narcotics trafficking and addiction, primarily opiates from Afghanistan. In January 2008, Berdimuhamedov established and funded the new State Counter Narcotics Service with some DEA-like responsibilities for both interdiction and demand-reduction efforts. Still, the effort involves building the new agency's infrastructure and capacity from the ground up. The Embassy country team is currently working with the Counter Narcotics Service to provide effective assistance to Turkmen counter-narcotics efforts. These efforts have led to the presence of a long-term TDY DEA Special Agent to pave the way for a permanent DEA presence. However, it is important to note that cooperation is limited and probably will not dramatically improve in the near term.

#### FOREIGN POLICY

19. (SBU) Like Niyazov, Berdimuhamedov has emphasized "neutrality" as the hallmark of the country's foreign policy. Nevertheless, he has put an unprecedented emphasis on foreign affairs to repair Turkmenistan's international and regional relations and to become a respected player on the

international stage. Trips by President Berdimuhamedov late last year to Germany and Austria and earlier this year to Uzbekistan, Iran and Russia have been opportunities for the Turkmen to reaffirm their multi-directional foreign policy. He has been invited to France later this year as well as Italy. Under the president's leadership, Turkmenistan has reached out to participate actively in regional organizations. He has met with all the leaders in the region, as well as with those of other countries of importance to Turkmenistan. China has a strong and growing commercial presence in Turkmenistan, and continues to court the president through a series of high-level commercial and political visits. Presidents Berdimuhamedov and Gul (Turkey) have exchanged visits, but bilateral relations continue to be colored more by the image of Turkey's lucrative trade and construction contracts that are eating up large amounts of money from the national budget.

#### REGIONAL POLICY

¶10. (SBU) Accompanying the president's focus on reaching out to Turkmenistan's near and more distant neighbors has been an increased effort to participate in and cooperate with regional fora. During President Berdimuhamedov's tenure, Turkmenistan has become an increasingly active player in a number of regional fora, including the (counter-narcotics) Central Asian Regional Information and Coordination Center, the Central Asian Trade Investment Framework Agreement mechanism (TIFA), and the European Union's Central Asian Troika process. While cognizant of its neutral status, it has bolstered its previous participation in meetings of the Commonwealth of Independent States and in its participation -- as an observer -- in the Shanghai Cooperation Organization, as well as in NATO with the status of a Partnership-for-Peace country. Turkmenistan is also participating in regional reconstruction efforts in Afghanistan and sponsoring a number of Afghan students at its universities and pedagogical institutes. In early April, the

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Turkmen government agreed to bolster by 2010 the electricity it is already selling to Afghanistan by an additional 300 megawatts. The president also agreed to extend the current price at which Turkmenistan is selling electricity to Afghanistan -- 2 cents per kilowatt hour -- to 2010. Concerning Afghanistan, Foreign Minister Meredov responded to a briefing on current U.S. policy by saying that Turkmenistan also sees the problems in Afghanistan and Pakistan as linked, and that they cannot be solved simply by military means. Meredov praised the USD 1.5 billion for social and economic aid for Pakistan. Turkmenistan donates humanitarian aid to Afghanistan, particularly in the northern part of the country, constructing schools, hospitals and other projects.

¶11. (SBU) Although Turkmenistan and Azerbaijan have made progress in resolving many of the issues that had troubled their relationship, delimitation of their boundary in the Caspian remains unresolved, with implications for the feasibility of a Trans-Caspian pipeline. Turkmen leaders seem to believe that they have shown the most flexibility and are looking for reciprocity from the Azeris. Following the latest round of bilateral boundary talks in July, Berdimuhamedov announced that Turkmenistan would seek international arbitration of the dispute, indicating that Turkmenistan was not satisfied with the progress in resolving this issue to date.

#### ENERGY

¶12. (SBU) Turkmenistan has world-class natural gas reserves, but Russia's near monopoly of the country energy export routes make it overly beholden to Russia. The disadvantage of this situation has been driven home to the Turkmen following the April pipeline explosion and subsequent dispute, which halted gas exports to Russia and forced the Turkmen to shut down a large part of its gas production.

Pipeline diversification would not only enhance Turkmenistan's economic and political sovereignty, but also help fuel new levels of prosperity throughout the region. Berdimuhamedov has told U.S. interlocutors he recognizes the need for more options and has taken the first steps to this end. In July, Turkmenistan reached an agreement with Iran for increased gas sales. Construction of a new pipeline to Iran is scheduled for completion by the end of the year. The gas pipeline to China is expected to begin shipping a limited quantity of gas later this month. Still, Berdimuhamedov will require encouragement and assistance from the international community if he is to maintain a course of diversification once relations with Gazprom are patched up, as is likely given the mutual importance of their relationship.

¶13. (SBU) One of the biggest challenges that Turkmenistan's hydrocarbon sector will have to face, if it is to succeed in pipeline diversification, is the need for increased natural-gas production. Turkmenistan produced a reported 70.4 billion cubic meters (bcm) in 2008, a figure that barely meets its existing domestic needs and export commitments. Large increases will be needed as/if new pipelines come online. While Turkmenistan has welcomed foreign companies to work its offshore (primarily oil) Caspian blocks, it has up to now largely rejected allowing foreign energy companies to work its onshore gas fields, maintaining that it can handle the drilling itself. But onshore natural gas production offers some tough challenges, including ultra-deep, high-pressure, high-sulphur, sub-salt drilling, which requires special skills and technologies and massive investment. One Western analyst suggested that costs could run as high as \$100 billion over the next five years. No one outside of the Turkmen government believes Turkmenistan has either the skills or the financial resources needed. U.S. policy has been to promote onshore production by major Western oil companies. President Berdimuhamedov has repeatedly told visiting U.S. officials that foreign companies would not be granted production sharing agreements for the development of onshore gas deposits. Given the

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technological challenges of extracting onshore gas, that policy could change in the future.

¶14. (SBU) U.S. integrated energy companies such as ExxonMobil, Chevron, ConocoPhillips and Marathon continue to express interest in working with the Turkmen to develop energy projects, but the Turkmen have shown little reciprocal interest. Most major firms have proposed onshore production projects that go against Turkmen government policy of controlling onshore development itself. President Berdimuhamedov appears convinced that, given enough time, the Turkmen themselves will be able to hire the necessary technology and expertise to allow them to manage development of these resources.

#### DEMOCRACY AND HUMAN RIGHTS

¶15. (SBU) President Berdimuhamedov has made a public commitment to bring Turkmenistan's laws and practices -- including those relating to human rights -- up to international standards. On his order, the country's legal, human rights and legislative bodies are in the process of rewriting numerous laws and codes, including on religion and public organizations, family, criminal, and criminal procedure codes. Parliamentary elections, held in December, were assessed by the OSCE as neither free nor fair and elicited little public interest. Although the government is making progress in overhauling Turkmenistan's laws, human rights practices continue to fall far short of international standards. RFE/RL reporters continue to experience considerable harassment from security forces. While the Turkmen have made some improvement in their treatment of minority religious groups, groups continue to experience onerous restrictions on their activities and some have experienced harassment. We continue to hear reports that



some individuals are being barred from travel abroad. While Berdimuhamedov in 2007 released Turkmenistan's former Grand Mufti, imprisoned since 2005 under charges of complicity in the 2002 assassination attempt against Niyazov, only a handful of other individuals who were also imprisoned for alleged involvement in the attack have been released. Mukhametkuli Aymuradov, a political prisoner held since 1995, was released in May upon completion of his sentence.

#### ECONOMY AND FINANCE

¶16. (SBU) The global financial crisis does not appear to have had an immediate impact in Turkmenistan. The Ashgabat construction boom and announcements of other capital investment projects continue apace. On the other hand, oil revenues have dried up since the April pipeline explosion that cut gas exports to Russia. Although the pipeline was restored within a few days, shipments did not resume. Negotiations with Gazprom are ongoing. As a result, Turkmenistan is reportedly losing some \$250 million in earnings each week the stoppage continues. There are no indications that the loss in earnings has caused the Turkmen government any financial discomfort, given the availability of past earnings held in a stabilization fund.

¶17. (SBU) President Berdimuhamedov has stated repeatedly, in many fora, that he wants to develop an international-standard market economy and to promote foreign investment. To those ends, Turkmenistan re-denominated its currency on January 1, converting 5,000 old manats into one new manat, following last year's elimination of the currency's dual exchange rates. The president has stated that some state enterprises will be privatized -- though not in "strategic" sectors like oil and gas, electricity, textiles, construction, transportation, and communications. Even though the president has reshaped his bureaucracy, put in place the structures that theoretically should help promote a market economy, and opened Turkmenistan to cooperation with international financial institutions, the lack of basic understanding and bureaucratic capacity remains an enormous

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impediment to change. New reforms are being rolled out with inadequate preparation, understanding of their consequences and explanation -- and are leading to increased public dissatisfaction. USAID is working to increase human capacity in several new government institutions, to prepare the strategy to support private sector development, and to support the introduction of International Financial Reporting Standards in Turkmenistan.

#### MEDIA

¶18. (SBU) While most of Turkmenistan's media remains state-controlled, President Berdimuhamedov has emphasized the need for reform, calling for more creativity and more international and political news to better inform readers and viewers. Simultaneously, however, he has noted that a principal role of the media is to stimulate patriotism and support for reform efforts, and there is no official discussion of allowing independent media to develop. Within this context, state media have shown gradually increasing openness, but still much uncertainty and a lack of capacity in attempting to fulfill the president's demands. Both broadcast and print media have started to cover a wider range of topics, but would not even think of challenging or criticizing government policies. These limits are a result of strict self-censorship -- no one wants to be the first to try an "unapproved" innovation.

#### EDUCATION: NEED FOR CURRICULUM REFORM

¶19. (SBU) President Berdimuhamedov and his officials repeatedly emphasize that reforming the education sector has been one of their top priorities, and he has said to U.S. visitors the hardest task is to change the mentality of a

people. To date, the president's (and government's) focus has been more on improving the shell than on reforming the core of the educational system. While there has been little emphasis placed up to now on retraining teachers or on modernizing the curricula, there have been some signs that the government may be considering curricula changes for institutions of higher education. At lower levels, however, the system continues to constrain individual initiative and block suggestions for improvements and reforms from reaching the Minister. In particular, many returned exchange participants are prevented or discouraged from returning to their places of work or study. The government recently introduced a requirement that students departing to study at foreign universities must obtain permission from the Ministry of Education. It remains to be seen how the implementation of this policy will impact U.S.-bound students. Action on U.S.-sponsored educational programs is focused in USAID and the Embassy's Public Diplomacy section. In 2008, the U.S. Government sponsored 156 Turkmenistan citizens to participate in the Embassy's FLEX (high-school), UGRAD (college-level), Turkmenistan AUCA Scholarship program (TASP), Teachers Excellence and Achievement (TEA), Muskie, Fulbright, Humphrey and other exchange programs. Through its Internet Access and Training Program, USAID is supporting efforts to introduce interactive and multimedia learning approaches to the education sector.

MILES